STATE OF MICHIGAN CIRCUIT COURT FOR THE 30TH JUDICIAL CIRCUIT INGHAM COUNTY

IN THE MATTER OF:

File No. 05-32-CZ

BLOCKBUSTER INC.

Hon. James R. Giddings

Respondent.

AG File No. 200504242

ASSURANCE OF DISCONTINUANCE

MICHAEL A. COX Attorney General

Kathy Fitzgerald Assistant Attorney General Consumer Protection Division P.O. Box 30213 Lansing, MI 48909 517-335-0855

Dated Filed: March 29, 2005

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2		
3		
4	IN THE MATTER OF:	ASSURANCE OF VOLUNTARY
5	BLOCKBUSTER INC.,	COMPLIANCE
6		
7	1.	
8	Blockbuster Inc. is a corporation of the St	ate of Delaware and does business throughout
9	the United States. This Assurance of Voluntary	Compliance (AVC) is between Blockbuster
10	Inc. (hereafter "the Respondent") and the Attorne	eys General of the states of Alabama, Alaska,
11	Arizona, Arkansas, California, Colorado, Connec	ticut, Delaware, Florida, Georgia, Hawaii,
12	Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky,	Louisiana, Maine, Maryland, Massachusetts,
13	Michigan, Minnesota, Mississippi, Missouri, Mor	ntana, Nebraska, New Mexico, New York,
14	Nevada, North Carolina, North Dakota, Ohio, Ok	lahoma, Oregon, Pennsylvania, Rhode Island,
15	South Carolina, South Dakota, Tennessee, Texas,	Utah, Virginia, Washington, West Virginia,
16	Wisconsin, and Wyoming and of the District of C	Columbia (hereafter "the Attorneys General"
17	or "the States"). This AVC applies to all corpora	te-owned Blockbuster stores in the United
18	With regard to Hawaii, Hawaii is represented by	vils Office of Consumer Protection, an agency
19	which is not part of the state Attorney General's Office, but which is statutorily authorized to represent the State of Hawaii in consumer protection actions.	
20	With regard to Georgia, Georgia is not represen	ted by its Attorney General, Georgia is
21	represented by the Administrator of the Fair Busin Attorney General's Office, but who is statutorily a	uthorized to undertake consumer protection
22	investigations and pre-litigation settlement negotiations, including acceptance of Assurances of Voluntary Compliance, for the State of Georgia. For simplicity purposes, the entire group will	
23	be referred to as the "Attorneys General" or "the States", and such designation, as it includes	
24	Georgia, refers to the Administrator of the Fair Business Practices Act" and as it pertains to Hawaii, refers to the Executive Director of the State of Hawaii's Office of Consumer Protection.	
25	With regard to Montana, Montana is represented agency which is not part of the state Attorncy Ger	by its Office of Consumer Protection, an heral's Office, but which is statutorily
26	authorized to represent the State of Montana in co	nsumer protection actions.

Page 1 –BLOCKBUSTER ASSURANCE OF VOLUNTARY COMPLIANCE March 23, 2005 CEDK4175

- 1 States of America and requires Respondent to take certain actions, including providing
- 2 advertising material to certain independently-owned franchise stores and to respond to
- 3 consumer complaints from certain independently-owned franchise stores. Nothing in this
- 4 Assurance is intended to bind independently owned franchise stores to its terms nor require
- 5 restitution by those stores. The States act pursuant to their respective consumer protection
- 6 statutes.2

seq.; California Business and Professions Code sections 17200 and 17500; Colorado Consumer

Protection Act, §§ 6-1-101 through 6-1-908, C.R.S. (2004); Conn. Gen. Stat. § 42-110a et seq.; Delaware's Consumer Fraud Act, 6 Del. C. Sec. 2513 and Uniform Deceptive Trade Practices

11 Act, 6 Del. C. Sec. 3531; District of Columbia Consumer Protection Procedures Act, D.C. Official Code § 28-3901 et seq.; Florida Deceptive and Unfair Trade Practices Act, s. 501, Part

12 II, Fl. Stat. (2004); Georgia Fair Business Practice Act of 1975, O.C.G.A. § 10-1-390 et seq.;

Hawaii Revised Statutes section 480-2(a), section 487-12; Idaho Code Sec. 48-601 et seq.; Illinois Consumer fraud and Deceptive Business Practices Act, 815 ILCS 505/6.1 (2002);

Indiana Deceptive Consumer Sales Act, Ind. Code § 24-5-0.5-1 et seq.; Iowa Consumer Fraud Act, Iowa Code §714.16; K.R.S. 367.110 et seq.; K.S.A. 50-623 et seq.; K.R.S. 367.110 et seq.;

LSA-R.S. 51:1401 et seq.; Maine 5 M.R.S.A. section 207, section 210; Maryland Consumer Protection Act Md. Code Ann., Com. Law §§13-101, et seq.; Massachusetts Consumer

Protection Act, Mass. Gen. Laws c.93A, sec. 4; Michigan Consumer Protection Act, MCL

445.901 et seq.; Minn. Stat. sec. 325F.69, subd. 1 (2004); Consumer Protection Law 75-24-1 et seq. Ms. Code Annotated; Section 407.020, et seq., Rev. Stat. Mo. 2000; Montana MCA 30-

18 14-112; Consumer Protection Act, Neb.Rev. Stat. 59-1601 et seq. (Reissue 2004) Uniform Deceptive Trade Practices Act, Neb.Rev.Stat. 87-301 et seq. (Reissue 1999, Cum Supp. 2004);

Nevada Revised Statutes ("NRS") 598.0903 et. seq.; Section 57-12-1 et seq. NMSA 1978;
New York General Business Law §§ 349 and 350; North Carolina Unfair and Deceptive Trade

Practices Act, N.C.G.S. 75-1.1 et seq.; N.D.C.C. § 51-15-01 et seq.; Ohio Consumer Sales

Practices Act, R.C. § 1345.01 et seq.; Oklahoma Consumer Protection Act, 15 O.S. § 751, et seq. (2004); Oregon's Unlawful Trade Practices Act, ORS 646.605 et seq.; Pennsylvania's

22 Unfair Trade Practices and Consumer Protection Law, 73 P.S. 201, et seq.; Rhode Island Deceptive Trade Practices Act, R.I. Gen. Laws Chapter 6-13.1; South Carolina Unfair Trade

Practices Act, 39-5-10 et seq.(1976, as amended); South Dakota Deceptive Trade Practices Act, SDCL Ch. 37-24; Tenn. Code Ann. Section 47-18-108; Tex. Bus. & Com. Code section 17.41

et seq.; Utah Code Ann. § 13-11-1 et seq. and Utah's Truth in Advertising Act, Utah Code Ann.

§ 13-11a-1 et seq.; Virginia Consumer Protection Act, Va. Code §§ 59.1-196 through 59.1-207; Revised Code of Washington RCW 19.86.020; West Virginia Consumer Credit and Protection

Act, W. Va. Code 46A-1-101 et seq.; Wis. Stat. secs. 100.18 and 100.20; Wyoming Consumer Protection Act as set out in Wyo. Stat. §§ 40-12-101 through 114.

Page 2 -BLOCKBUSTER ASSURANCE OF VOLUNTARY COMPLIANCE March 23, 2005 CEDK4175

Alabama Deceptive Trade Practices Act, Alabama Code Section 8-19-1, et seq.; Alaska AS
 45.50.471 et seq.; Arizona Revised Statutes §§ 44-152, et seq.; Arkansas Code Ann, 4-88-101 et

3	This Assurance of Voluntary Compliance (AVC) is a settlement of a disputed matter.
4	The States allege the advertising by Respondent of its No Late Fees program ("NLF program"),
5	which was first advertised by Blockbuster on December 15, 2004 and effective January 1, 2005
6	is misleading in much of its media and point-of-sale advertising. Specifically, the States allege
7	Respondent has heavily publicized its NLF program, representing "no late fees" for movie and
8	game rentals, while failing to clearly and conspicuously disclose, in mass media and at point-of
9	sale, that the alleged absence of such fees is replaced by the sale of the item to the customer
10	after seven days from the due date. Respondent denies the allegations and responds that it has
11	fully and fairly disclosed all terms. Respondent contends it does not charge late fees as part of
12	its NLF program. Respondent contends "late fees" is a term of art to customers of the video
13	rental industry, referring to additional rental charges when a product is kept past its initial due
14	date, and is understood as such by the customers. Respondent contends that if the consumer has
15	not returned the product within seven days after the due date, the customer has chosen to buy
16	the product and the rental transaction is then turned into a sale, and that Respondent's rental
17	programs have included a similar conversion to a sale for a number of years. Further, the States
18	allege Respondent has failed to disclose clearly and conspicuously that in order for a customer
19	to reverse a sale of the item, a restocking fee must be paid. Respondent also denies this
20	allegation and asserts that the restocking fee is disclosed adequately and in numerous ways to
21	the consumer. The States also allege that because many of Respondent's franchise stores are
22	not participating in the NLF program there has been insufficient disclosure to consumers that
23	the NLF program is at participating stores only. Respondent denies this allegation and asserts
24	that it has made it clear that its NLF program is offered at participating stores only. Thus, this
25	AVC shall not be considered an admission by Respondent of a violation of law, statute, or
26	ordinance for any purpose, and should not be construed as such in any enforcement or civil

1	action that might be instituted as a result of the NLF program. Respondent and the States agree
2	that no provision of the AVC operates as a penalty, forfeiture, or punishment under the
3	Constitution of the United States, or under the Constitution and laws of the States.
4	3.
5	Respondent waives receipt of a formal notice from any State of the alleged unlawful
6	trade practice and the relief to be sought.
7	4,
8	Respondent understands and agrees this AVC applies to Respondent, Respondent's
9	principals, officers, directors, agents, employees, representatives, successors, and assigns.
10	5.
11	Respondent and Respondent's attorney agree and understand that following acceptance
12	of the AVC the enforcement officers and staff of the States will endeavor to communicate to
13	whomever Respondent designates for the purpose of executing and enforcing the terms of this
14	agreement and resolving any existing or future complaints.
15	6.
16	Respondent understands and agrees that if this AVC is accepted by the States it may be
17	filed in court in those states that are required or permitted by law to file assurances with the
18	court. The States agree to notify Respondent of a date certain when public notice and court
19	filing of the AVC will take place and Respondent and the States agree not to disclose the
20	settlement until ten o'clock a.m. Pacific Standard time on that day.
21	7.
22	Respondent waives any further notice of submission to and filing with any court of this
23	AVC. Respondent agrees to accept service of a conformed copy from each state that files the
24	AVC by prepaid first class mail sent to Ms. Debra L. Witter at Blockbuster Inc., Renaissance
25	Tower, 1201 Elm Street, Dallas, TX 75270.
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Page 4-BLOCKBUSTER ASSURANCE OF VOLUNTARY COMPLIANCE March 23, 2005 CEDK4175

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2 Respondent agrees that for this AVC to be accepted by the States a corporate check for the amount set out herein must be represented by Respondent's counsel to have been mailed to 3 4 the Oregon Attorney General's office. Respondent and the States agree that the terms of this 5 AVC apply only to the Respondent and the signatory States. 6 7 Respondent understands that violation of any of the terms of this AVC may result in the 8 States seeking all available relief, including civil penalties and any such further relief as a court 9 may deem appropriate. The States agree that unless the health, safety or welfare of its citizens 10 requires emergency action, that before seeking any relief from any court for any alleged 11 violation of this AVC, the States will give Respondent fourteen days' notice of any alleged 12 violation so that Respondent may address the alleged violation. The giving of such notice does 13 not prevent a state from proceeding for relief following the fourteen-day period. This AVC is a 14 complete resolution of the States' allegations as set forth in paragraph 2 with regard to acts 15 which occurred prior to the date in paragraph 6. 16 10. 17 The parties acknowledge that no other promises, representations, or agreements of any 18 nature have been made or entered into by the parties. The parties further acknowledge that this 19 AVC constitutes a single and entire agreement that is not severable or divisible, except that if

22 11.

provisions shall continue in full force and effect.

Nothing contained in this AVC shall be construed either to deprive or empower any consumer or other persons or entity of any right to pursue any available remedy or remedies pursuant to applicable law nor create any private rights or causes of action in any third parties.

any provision herein is found to be legally insufficient or unenforceable, the remaining

Page 5 –BLOCKBUSTER ASSURANCE OF VOLUNTARY COMPLIANCE March 23, 2005 CEDK4175

Page 6 –BLOCKBUSTER ASSURANCE OF VOLUNTARY COMPLIANCE March 23, 2005 CEDK4175

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³ With respect to the remedies set forth in Paragraphs 15-17, Respondent maintains that it operates over 4500 corporate stores throughout the United States, with over 52,100 store employees through whom certain of these remedies must be implemented. Without waiving any relief available to the States under this AVC or applicable law, the States acknowledge that it is not their intent to seek judicial relief under this AVC for incidental failures of Respondent's in-store employees to comply with Paragraphs 15-17, without giving Respondent an opportunity to correct such incidental failures.

protection purposes as allowed by each of the States' laws at the discretion of each of the States' Attorneys General.4 The Oregon Attorney General will thereafter distribute the funds to 2 the States in accordance with the terms of this AVC and agreements between the States to 3 4 which Respondent is not a party. 15. 5 Effective immediately upon execution by Respondent of this AVC, Respondent agrees 6 7 to adhere to each of the following requirements: 8 Respondent shall, on a one-time per customer basis and with respect to the first Α. rental transaction following the start of the NLF program⁵, provide a full refund or credit to any 9 10 11 ⁴ With respect to Arkansas, the funds shall be deposited in the consumer education and 12 enforcement fund maintained by the Attorney General and shall be held in trust for uses directly related to the Attorney General's consumer protection efforts. 13 With respect to Massachusetts, the funds shall be deposited in the Local Consumer Aid Fund, pursuant to Mass. Gen. Laws c.12, sec. 11G. 14 With respect to Nevada, any penalties or fees received by the Nevada Attorney General 15 must be deposited into the Attorney General Special Fund. With respect to Georgia, the funds shall be deposited into the Investigative Expense Fund 16 until the earlier of thirty-six (36) months or the time that the Administrator of the FBPA, in his/her sole discretion, determines that there is no need for future monitoring. Any 17 unencumbered funds remaining at that time shall be delivered to the Consumer Education Fund, pursuant to O.C.G.A. § 10-1-381(c). 18 With respect to Colorado such amount, along with any interest thereon, shall be used first, as reimbursement of the State's actual costs and attorney fees, and second, to be held in trust by the 19 Attorney General for future consumer protection education, consumer protection enforcement 20 and/or antitrust enforcement efforts. With respect to West Virginia, that amount shall be placed in trust and used solely for 21 consumer protection purposes as designated by the Attorney General of West Virginia, including, but not limited to, restitution, consumer education, credit or bankruptcy counseling 22 and education, conflict resolution programs, and costs associated with implementing restitution 23 orders. 24 ⁵ However, a customer who had more than one rental converted to a sale prior to learning or being notified a sale or sales would occur on the first rental transaction is entitled to a refund or 25 credit as set forth above for the selling price charged and/or restocking fees on all such rentals occurring prior to such customer learning or being notified a sale or sales would occur on the 26 first rental transaction. Page 7 -- BLOCKBUSTER ASSURANCE OF VOLUNTARY COMPLIANCE

March 23, 2005 CEDK4175

customer of a corporate store or a franchise store that participated in the NLF program of the 1 selling price of any rental items converted to a sale under the NLF program which rental items 2 were not returned within thirty days from the sale date, upon the return in good condition of the 3 items rented. Respondent will refund these amounts if paid by the customer or charged to the 4 customer's credit card, or remove Blockbuster membership account balances for these amounts 5 for those customers who have not paid the amounts charged to their membership accounts or 6 had their credit cards charged. In those instances in which the sold product was returned and 7 8 the customer has already received a refund for the selling price of the item or had the balance of the selling price removed from the membership account in accordance with Blockbuster's 9 standard practice under the NLF program, but has been charged a restocking fee under the NLF 10 program, Respondent will refund the restocking fees paid by the customer or charged to the 11 customer's credit card, or remove membership account balances for restocking fees for those 12 customers who have not paid the restocking fees. In order to be eligible for the foregoing 13 refunds or credits, the customer must make or have made a written⁶ request to Respondent⁷ 14 about the purchase or restocking fee based on failure to understand the terms of the NLF 15 program. A request for a refund must be made prior to or within 30 days after the date in 16 paragraph 6 when the AVC is announced and filed (and in those states such as Tennessee that 17 cannot announce until entry of the AVC, 30 days after the date of entry), or after the 30 days, 18 within one week upon the customer first discovering or being notified that an expenditure in 19

applicable law including, without limitation, the Video Privacy Protection Act, 18 U.S.C. 22 §2710. Further, Respondent may, but is not required to, provide the foregoing refunds/credits to 23

customers who orally complain at Respondent's stores.

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⁶ Respondent will provide some type of user-friendly form available to customers who request 21 one on which to make their complaint and cooperate in providing information consistent with

⁷ Requests may be sent to Respondent directly, from any corporate or participating store or from 24 the States or a consumer protection agency. Requests by mail should be sent to Blockbuster Inc., 1201 Elm Street, Suite 2100, Dallas, TX 75270, Attention: Mr. Steve Krumholz, Senior 25 Vice President.

⁸ A complaint alleging the requisite lack of understanding and a payment of money will be deemed a request for a refund.

- 1 addition to the initial sum paid for rental is/was required. The refund or credit shall be made
- 2 promptly, in the manner in which the original required payment was made by the customer.
- 3 This paragraph shall only apply to customers who rented product prior to the date that the
- 4 Respondent implements the corrective actions required by this AVC in the store from which the
- 5 customer rented product. 10 This obligation to refund or credit only covers requests made by
- 6 customers within 6 months from the date in paragraph 6 and that otherwise meet the criteria set
- 7 forth in this Paragraph 15A. Respondent will request and recommend that participating
- 8 franchise stores forward any written requests for refund as described in this Paragraph 15A to
- 9 Respondent or redirect such consumers to Respondent unless the store provides the credit or
- 10 refund directly to the customer. A failure of a participating franchise store to cooperate is not a
- 11 violation of this AVC.

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B. Respondent shall provide rental coupons to customers of franchise stores that did not participate in the NLF program and did not notify customers, through signage or otherwise, that they were not participating in the NLF program, as follows: Eligible customers are those who rented product after December 31, 2004 up to the date in paragraph 6 when the AVC is announced and filed, who paid extended viewing fees or "late fees," and who make a written request as outlined in this Section 15B. Respondent shall provide such customers rental coupon(s) for the number of rentals equivalent to the number of rentals for which the customer was charged extended viewing fees or "late fees." Such rental coupons shall only be issued for rentals in the initial rental transaction following December 31, 2004, but shall apply to all

²¹ In order to receive a refund to a credit card, customers must present the credit card to a store.

Or as to participating franchise stores from the date that Respondent implements these corrective actions in corporate stores.
 However, subject to the other requirements and criteria set forth in this Paragraph 15B.

However, subject to the other requirements and criteria set forth in this Paragraph 15B, if a request alleges that a customer was charged extended viewing fees or "late fees" for an additional rental period in an amount that exceeded the amount charged for the original rental period, Respondent shall provide coupons such that the customer will receive the same or greater number of free rentals as the amount of rentals represented by the amount charged in extended viewing fees or "late fees" for the additional rental period.

1	items in the initial rental transaction for which the customer was charged extended viewing fees
2	or "late fees." Coupons will be provided for extended viewing fees or "late fees" only, and not
3	for any charges for the conversion of a rental to a sale. Requests must be in writing and may be
4	sent to Respondent directly from a customer, or may be forwarded from any such
5	nonparticipating store, from the States, or from a consumer protection agency. Requests must
6	provide details of the transaction and allege a lack of understanding of the NLF program.
7	Requests must be made to one of these entities prior to or within 30 days after the date in
8	paragraph 6 when the AVC is announced and filed (and in those states such as Tennessee that
9	cannot announce until entry of the AVC, 30 days after the date of entry), or after the 30 days,
10	within one week upon first discovering or being notified that extended viewing fees or "late
11	fees" were charged. This obligation to refund or credit only covers requests made by
12	customers within 6 months from the date in paragraph 6 and that otherwise meet the criteria set
13	forth in this Paragraph 15B. Respondent will request and recommend that non-participating
14	franchise stores forward any written requests to Respondent or redirect such consumers to
15	Respondent unless the store wishes to resolve the request itself. A failure of a non-
16	participating franchise store to cooperate is not a violation of this AVC.
17	16.
18	CURRENT AND CORRECTIVE ADVERTISING
19	No later than thirty days after Respondent executes this AVC, Respondent agrees it will
20	adhere to each of the following "current and corrective advertising" requirements for a period of
21	six months and provide the FAQ brochures and notices for use by participating franchise stores
22	Respondent will, acting for its corporate stores:
23	A. Include the terms and conditions of the NLF program as set forth in
24	Respondent's current FAQ brochures (Blockbuster Part Number 4906-982690) clearly and
25	conspicuously on the policy endcap ¹² displayed in every store;

¹² An "endcap" is an advertising poster at the end of an aisle.

Page 10 -BLOCKBUSTER ASSURANCE OF VOLUNTARY COMPLIANCE

March 23, 2005 CEDK4175

1	В.	Keep a document containing substantially the same information as the current
2	FAQ brochur	e in every store, prominently available for customers to read at the store and/or
3	take home (al	long with a clear and conspicuous sign next to the brochures indicating they
4	contain impo	rtant information if they are not otherwise placed in close proximity to one of the
5	other correcti	ve disclosures referenced in this Paragraph);
6	C.	Post a one-sided 8-1/2 by 11 inch notice in multiple locations in each store
7	explaining th	e terms of the NLF program, which locations will be in areas reasonably calculated
8	to inform cus	stomers of the terms and conditions of the NLF program in the normal course of
9	transacting b	usiness in the store, including, without limitation, on or immediately adjacent to the
10	entrance doo	r to the store facing out and the exit door facing in and in at least one location
11	which can be	viewed by all customers in advance of and in connection with customers
12	concluding re	ental transactions. The notice must include the applicable statement set forth in
13	Exhibit A in,	at minimum, 26-point font.
14	D.	Provide store personnel with information regarding how customers may obtain
15	the restitution	n set forth in Paragraph 15 for use in responding to customer inquiries.
16	E.	As of the date of execution by Respondent, remove from its stores the external
17	window sign	age advertising the NLF program and request and recommend that participating
18	franchise sto	res do the same;
19	F.	On or before the later of March 15, 2005 or within five days after the execution
20	of this AVC	by Respondent, remove from its stores the current internal signage advertising the
21	NLF program	m and request and recommend that participating franchise stores do the same;
22	G.	Require any franchise store that is not participating in the NLF program to
23	remove any	contrary advertising;
24	H.	Include a hyperlink to the language in Exhibit A on Respondent's
25	blockbuster.	com website in, at minimum, 14-point font (both the link and the information);
26		

1	 Commencing with the May, 2005, direct mail, all newsletter-format direct mail
2	pieces discussing the NLF program shall include the applicable disclosure in Exhibit A in, at
3	minimum, 12-point font, except for the highlighted wording, which will appear in font at least
4	1/4 headline cap height, and all postcard and one-sheet foldover direct mail pieces that discuss
5	the NLF program shall include the applicable disclosure in Exhibit A in at least ¼ headline cap
6	height and follow the requirements of 17 A; and,
7	J. Provide the same advertising required in this paragraph of the AVC for corporate
8	stores to participating franchise stores and request and recommend they utilize it.
9	K. Customers who are sent written notification by Respondent that a rental has been
10	converted to a sale will be told that: "You must present your credit card to the store to apply this
11	credit to your credit card," or a substantially similar disclosure.
12	1.7.
13	FUTURE ADVERTISING
14 15	Effective upon Respondent signing this AVC, Respondent agrees to adhere to each of the following "future advertising" requirements for the current NLF program or for any similar
16 17	program that represents that late fees or charges are eliminated, limited or deferred ¹³ , and that it will:
18	A. Provide that no English or Spanish language advertising in any medium
19	(including but not limited to (1) all e-newsletters, email and Internet advertisements, (2) all
20	direct mail pieces, (3) any large out-of-home advertising such as on billboard or buses, (4) any
21	television or radio advertising, (5) any print advertising, (6) any large signage on the outside of
222324	stores, and (7) any large signage on the inside of stores such as banners, floor decals and
25 26	13 The requirements of this Paragraph 17 do not apply to advertisements for items or programs that do not have due dates, including in-store and online subscription programs that require a periodic membership fee.

Page 12 –BLOCKBUSTER ASSURANCE OF VOLUNTARY COMPLIANCE March 23, 2005 CEDK4175

1	signs) represents directly or by implication that there are no late fees or only limited late fees
2	unless such representation is accompanied by and appears proximately to a clear and
3	conspicuous disclosure of the existence of any charge (including, without limitation, any rental
4	fee, restocking fee, or charge associated with a rental transaction that has been converted to a
5	sale) that may be incurred if an item is returned past the due date, and of any limitation on the
6	stores participating in the offer. In the case of the current NLF program, the following
7	disclosure (or a substantially similar disclosure) clearly and conspicuously accompanying and
8	appearing proximately to the phrase "No Late Fees" or "The End of Late Fees" or equivalent
9	phrase is an example of a disclosure that satisfies the foregoing requirement: "Participating
10	stores only. Rental product kept more than 7 days after the due date is converted to a sale. Sale
11	may be reversed by returning the product within 30 days of the sale date and paying a \$1.25
12	restocking fee. Franchisee restocking fees may vary." and,
13	B. Provide that all stores clearly and conspicuously display the Respondent's policy
14	for return of rental product and applicable charges if product is not returned.
15	18.
16	All terms in this AVC that are specific to the current NLF program will expire
17	when the NLF program expires unless otherwise provided herein.
18	<i>III</i>
19	<i>III</i>
20	///
21	
22	<i>III</i>
23	///
24	In the case of a radio advertisement of thirty seconds or less duration, the following
25	disclosure (or a substantially similar disclosure) clearly and conspicuously accompanying the phrase "No Late Fees" or "The End of Late Fees" or equivalent phrase is an example of a
26	disclosure that satisfies the foregoing requirement: "Participating stores only. See terms of automatic sale and restocking fee."

Page 13 -BLOCKBUSTER ASSURANCE OF VOLUNTARY COMPLIANCE March 23, 2005 CEDK4175

1	REVIEW BY RESPONDENT'S ATTORNEY	
2	Approved as to form. Dated 3/23/05	
4	Debra L. Witter	
5	Attorney for Respondent	
6	RESPONDENT'S SIGNATURE AND ACKNOWLEDGMENT	
7	Respondent has read and understands this agreement and each of its terms. Respondent agrees to each and every term.	
8	Corporate Respondent	
9	I, N.P. Shepherd being first duly sworn on oath depose and say that I am the President of	
10	U.S. Store Operations for Blockbuster Inc. and am fully authorized and empowered to sign this Assurance of Voluntary Compliance on behalf of Blockbuster Inc. and bind the same to the terms hereof.	
J 1	N.P. Shepherd	
12	N.I., Shepherd	
13	Signature Title: President U.S. Store Operations Blockbuster Inc.	
14	Address: Blockbuster Inc.	
15	1201 Elm Street Dallas, Texas 75270	
16	and.	
17	SUBSCRIBED AND SWORN to before me this day of March, 2005,	
18	allida E. Dunsan	
19	ALIDA E. DUGGAN Notary Public	
20	March 28, 2008	
21		
22		
23		
24		
25		
26		

EXHIBIT A

1	
2	
3	In-store
4	transaction receipt. There is no additional rental charge if a member keeps a rental item up
5	
6	the selling price for the item in effect at the time of the rental, minus the rental fee paid. Member then has 30 days to return the product and receive a credit for the selling price
7 8	charged, less a \$1.25 restocking fee. These terms available at participating stores only. Franchisee restocking fees may vary. See policy endcap for complete terms and conditions.
9	
10	Newsletter Direct Mail
11	Membership rules apply for rentals. Rentals are due back at the date and time stated on the transaction receipt. There is no additional rental charge if a member keeps a rental item up to
12	days beyond the pre-paid rental period. After 7 days beyond the due date, Blockbuster will automatically convert the rental to a purchase on the 8th day and will charge the member
13 14	the selling price for the item in effect at the time of the rental, minus the rental fee pai Member then has 30 days to return the product and receive a credit for the selling pri charged, less a \$1.25 restocking fee. These terms available at participating stores only Franchisee restocking fees may vary. See store or blockbuster.com for complete terms and
15	
16	conditions.
17	Postcard or One-Sheet Foldover Direct Mail
18	Participating stores only. Rental product kept more than 7 days after the due date is converted to a sale. Sale may be reversed by returning the product within 30 days of the sale date and
19	paying a restocking fee.
20	
21	
22	
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Assurance of Discontinuance

MICHAEL A. COX Attorney General of the State of Michigan

Dated: March 16, 2005

Kathy Fitzger 1d (P31454) Assistant Attorney General Consumer Protection Division

P.O. Box 30213 Lansing, MI 48909 (517) 335-0855

IN THE MATTER OF BLOCKBUSTER, INC.

ASSURANCE OF VOLUNTARY COMPLIANCE

DATED: MARCH 18, 2005

TROY KING, Attorney General of the State of Alabama

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Chief, Consumer Protection
and Antitrust Section

Assistant Attorney General

Alabama Attorney General's Office

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Assurance of Voluntary Compliance

DATED THIS 14TH DAY OF MARCH, 2005

STATE OF ALASKA SCOTT J NORDSTRAND Acting Attorney General

Assistant Attorney General

Commercial and Fair Business Section

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Assurance of Voluntary Compliance

DATED: MARCH 21, 2005

TERRY GODDARD, Attorney General of the State of Arizona

by Todd F. Lang, Unit Chief Counsel

Consumer Litigation Unit

Arizona Attorney General's Office

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Phoenix, AZ 85007

IN THE MATTER OF BLOCKBUSTER, INC.

ASSURANCE OF VOLUNTARY COMPLIANCE

DATED: MARCH 16, 2005

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Assurance of Voluntary Compliance

DATED: MARCH 23, 2005

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Assurance of Voluntary Compliance

DATED: MARCH 16, 2005

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Assurance of Voluntary Compliance

STATE OF CONNECTICUT

EDWIN RODRIGUEZ
COMMISSIONER OF CONSUMER PROTECTION

RICHARD BLUMENTILAL ATTORNEY GENERAL

DATED: MARCH 21, 2005

BY;

Garry Designdins

Assistant Attorney General

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Assurance of Voluntary Compliance

DATED: MARCH 11, 2005

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Assurance of Voluntary Compliance

DATED: March 16, 2005

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DAVID M. RUBENSTEIN Deputy Attorney General Public Safety Division

B th Runboff BENNETT RUSHKOFF

Chief, Consumer and Trade Protection Section

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Assurance of Voluntary Compliance

DATED: MARCH 24, 2005

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In the Matter of BLOCKBUSTER, INC. ASSURANCE OF VOLUNTARY COMPLIANCE

DATED: MARCH 15, 2005

JOSEPH B. DOYLE

Administrator, Governor's Office of Consumer Affairs

Dana M. Tucker Davis Attorney Designee

Governor's Office of Consumer Affairs

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Atlanta, GA 30334-4600

Assurance of Voluntary Compliance

DATED: MARCH 14, 2005

STEPHEN H. LEVINS, Executive Director Office of Consumer Protection of the State of Hawaii

JEFFREY E. BRUNTON

Şaff Attorney

Office of Consumer Protection

State of Hawaii

235 South Beretania Street, Suitc 801

Honolulu, Hawaii 96813

Assurance of Voluntary Compliance

DATED: MARCH 15, 2005

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Assurance of Voluntary Compliance

DATED: MARCH 17, 2005

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Assurance of Voluntary Compliance

DATED: MARCH 18, 2005

STEVE CARTER, Attorney General

of the State of Indiana

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Assurance of Voluntary Compliance

DATED: MARCH 11, 2005

TOM MILLER, Attorney General of the State of Iowa

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Special Assistant Attorney General Director-Consumer Protection Division

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Assurance of Voluntary Compliance

DATED: MARCH 18, 2005

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Assurance of Voluntary Compliance

DATED: MARCH 16, 2005

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Assistant Attorney General

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IN THE MATTER OF BLOCKBUSTER, INC.

ASSURANCE OF VOLUNTARY COMPLIANCE

DATED: MARCH 16, 2005

CHARLES C. FOTI, JR., Attorney General of the State of Louisiana

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Assurance of Voluntary Compliance

DATED: March 14, 2005

G. STEVEN ROWE, Attorney General of the State of Maine

Linda J. Conti

Assistant Attorney General Maine Attorney General's Office

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Assurance of Voluntary Compliance

Dated: March 17, 2005

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WILLIAM D. GRUHN

Assistant Attorney General

Maryland Attorney General's Office

Consumer Protection Division

200 Saint Paul Place

Baltimore, MD 21202

In the Matter of:

BLOCKBUSTER INC.

Assurance of Voluntary Compliance

DATED: March /5, 2005

COMMONWEALTH OF MASSACHUSETTS THOMAS F. REILLY ATTORNEY GENERAL

Bor

Jesse M. Caplan

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Consumer Protection and Antitrust Division

One Ashburton Place

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Assurance of Voluntary Compliance

Dated: March 21, 2005

Respectfully submitted,

MIKE HATCH Attorney General State of Minnesota

PRENTISS COX

Assistant Attorney General Atty. Reg. No. 218844

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ATTORNEYS FOR STATE OF MINNESOTA

Assurance of Voluntary Compliance

DATED: MARCH 18, 2005

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Jackson, MS 39225 (601) 359-4279

(601) 359-4231 (Fax)

BWILL@ago.state.ms.us

In the Matter of BLOCKBUSTER, INC. and State Attorneys General Negotiations Regarding Advertising Practices

SIGNATURE PAGE

The State of Missouri, by and through its Attorney General, hereby agrees to accept from Blockbuster, Inc., and to sign and file with the Missouri courts, the attached proposed Assurance of Voluntary Compliance, and to file a Petition seeking approval of same, in the final format negotiated by representatives of Oregon and California, etc., ("the negotiating states"), contemporaneous and in conjunction with similar filings by other states.

JEREMIAH (JAY) NIXON Missouri Attorney General

Forest W. Hanna, III, Mo. Bar # 36614

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Assurance of Voluntary Compliance

DATED: MARCH 17, 2005

Office of Consumer Protection State of Montana

Special Assistant Attorney General Montana Department of Administration 1219 8th Ave

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ASSURANCE OF VOLUNTARY COMPLIANCE

Date: March 18, 2005

BY: JON BRUNING, #20351

Attorney General of Nebraska

BY:

Leslie C. Levy, #20673

Assistant Attorney General

2115 State Capitol

Lincoln, NE 68509-8920

Tel: (402) 471-2683 Fax: (402) 471-3297

l	
1	In the Matter of:
2	BLOCKBUSTER INC.
3	Assurance of Voluntary Compliance.
4	DATED this Konday of Ruce, 2005.
5	SUBMITTED BY:
6	BRIAN SANDOVAL
7	Attorney General
8	By: Decen Viate
9	Je Ann GIBBS Senior Deputy Attorney General
10	Nevada Bar # 005324 555 E. Washington Avenue, #3900
11	Las Vegas, Nevada 89101
12	(702) 486-3789 Attorneys for Plaintiff, State of Nevada
13	
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26	

Assurance of Voluntary Compliance

DATED: MARCII //, 2005

PATRICIA A. MADRID, Attorney General of the State of New Mexico

Richard B. Word

Assistant Attorney General

New Mexico Attorney General's Office

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Assurance of Voluntary Compliance

Dated: March 15, 2005

ELIOT SPITZER, Attorney General of the State of New York

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Assurance of Voluntary Compliance

DATED: MARCH 14, 2005

ROY COOPER, Attorney General of the State of North Carolina

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Assistant Attorney General

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114 W. Edenton Street

Raleigh, North Carolina 27602

in the Matter of: BLOCKBUSTER, INC. ASSURANCE OF VOLUNTARY COMPLIANCE

State of North Dakota Wayne Stenehjem Attorney General

BY:

Parrell D. Grossman, ID No. 04684

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Director, Consumer Protection &

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Date: March 14, 2005

Assurance of Voluntary Compliance

DATED: MARCH 11, 2005

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Assurance of Voluntary Compliance

DATED: MARCH 11, 2005

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1	In the Matter of BLOCKBUSTER INC. ASSURANCE OF VOLUNTARY COMPLIANCE
2	
3	ACCEPTANCE OF DOJ
4	Accepted this 20th day of March, 2005.
5	HARDY MYERS
6	Attorney General of Oregon
7	1/m/m
8	THOMAS K. ELDEN #29036 Assistant Attorney General
9	(Appearance in Oregon Only)
10	
11	APPROVAL BY COURT
12	APPROVED FOR FILING and SO ORDERED thisday of March, 2005.
13	
14	Circuit Court Judge
15	
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Page TV I	
1 / 1	E:gch\CEDK2863 DEPARTMENT OF JUSTICE

1162 Court Street NE Salem, OR 97301-4096 PHONE: (503) 378-4732

Assurance of Voluntary Compliance

DATED: March 17, 2005

COMMONWEALTH OF PENNSYLVANIA

BY: THOMAS W. CORBETT, JR. ATTORNEY GENERAL

BY: FRANK T. DONAGHUE

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BY:

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Assurance of Voluntary Compliance

DATED MARCH 15, 2005

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Assurance of Voluntary Compliance

DATED: March / 2005

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In the Matter of:

BLOCKBUSTER INC. - Assurance of Voluntary Compliance

Dated this 14th day of March, 2005, at Pierre, South Dakota.

LAWRENCE E. LONG ATTORNEY GENERAL FOR THE STATE OF SOUTH DAKOTA

Paul Cremer

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Assurance of Voluntary Compliance

DATED: MARCH / 4,2005

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Assurance of Voluntary Compliance

DATED: MARCH 17, 2005

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Assurance of Voluntary Compliance

DATED: MARCH //, 2005

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Assurance of Voluntary Compliance

DATED: MARCH 16, 2005

COMMONWEALTH OF VIRGINIA, EX REL. JUDITH WILLIAMS JAGDMANN, ATTORNEY GENERAL

Judith Williams Jagdmann Attorney General

Bernard L. McNamee II Chief Deputy Attorney General

Maureen R. Matson Deputy Attorney General Civil Division

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Assurance of Voluntary Compliance

DATED: MARCH 14, 2005

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Assurance of Voluntary Compliance

DATED: MARCH 11, 2005

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Assurance of Voluntary Compliance

Dated: March 16, 2005

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Assistant Attorney General

State Bar #1012870

Wisconsin Department of Justice

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Assurance of Voluntary Compliance

DATED: MARCH 21, 2005

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BY:

Peter Free PETER FREE

Assistant Attorney General Wyoming Attorney General's Office

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